

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 226 - SB 982

March 7, 2021

**SUMMARY OF ORIGINAL BILL:** Authorizes medical laboratory directors to monitor laboratory personnel remotely. Exempts a pharmacy possessing an active Clinical Laboratory Improvement Amendments of 1988 (CLIA) Certificate of Waiver and medical personnel employed by and performing testing at a private laboratory, from the Tennessee Medical Laboratory Act.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – \$292,100/FY21-22 and Subsequent Years/  
Medical Laboratory Board

Decrease State Expenditures – \$134,900/FY21-22 and Subsequent Years/  
Medical Laboratory Board

Other Fiscal Impact – It is unknown if there will be any changes in fees to accommodate the estimated decrease in revenue to the board. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.

**SUMMARY OF AMENDMENT (004030):** Deletes and rewrites all language after the enacting clause such that the only substantive changes are: (1) to clarify that a private laboratory includes hospital-based laboratories; and (2) to establish that examination requirements of human specimen reports applies to medical personnel employed by and performing testing at a private laboratory.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from original fiscal note.

Assumptions for the bill as amended:

- Based on information provided by the Department of Health (DOH), there are currently 6,087 medical laboratory personnel licensed by the Medical Laboratory Board (MLB)

and employed by privately-owned laboratories that would no longer be required to be licensed in this state.

- No longer issuing these licenses would result in a decrease in state revenue to the MLB.
- The biennial license fee for medical laboratory personnel is \$90.
- The recurring decrease in fee revenue to the MLB is estimated to be \$273,915  $[(6,087 \times \$90) / 2\text{-year license}]$ .
- The DOH provides that in FY19-20 there were 363 initial applications for licenses and the fee for each application is \$50.
- No longer requiring the license for all medical personal would result in a recurring decrease in state revenue to the MLB of \$18,150  $(\$50 \text{ fee} \times 363 \text{ applicants})$ .
- The total recurring decrease in fee revenue to the MLB is estimated to be \$292,065  $(\$273,915 \text{ license fee} + \$18,150 \text{ applicant fees})$  in FY21-22 and subsequent years.
- The MLB will decrease staff by two administrative positions as a result of no longer issuing these licenses.
- The recurring decrease in expenditures to the MLB for the decrease in staff is estimated to be \$134,886  $[(\$52,051 \text{ salary} + \$15,392 \text{ benefits}) \times 2 \text{ positions}]$  in FY21-22 and subsequent years.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Medical Laboratory Board had an annual surplus of \$47,401 in FY18-19, an annual surplus of \$110,700 in FY19-20, and a cumulative reserve balance of \$1,842,329 on June 30, 2020.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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